

March 20, 2003

The Honorable David Dreier
U.S. House of Representatives
Washington, DC 20515

The Honorable Anna Eshoo
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Dreier and Congresswoman Eshoo,

The Software & Information Industry Association (SIIA) applauds your leadership for introducing the Broad-Based Stock Option Plan Transparency Act of 2003. This legislation will greatly help address both the critical need for investors to receive accurate and reliable information, and the need for rank-and-file workers to continue benefiting from broad-based stock option plans.

As the principal trade association of the software code and digital information industry, the 650 members of SIIA develop and market software and electronic content for business, education, consumers and the Internet. SIIA's members are software companies, e-businesses, and information service companies, as well as many electronic commerce companies. SIIA members, and much of the high-tech industry, have long relied on broad-based stock options plans as a critical tool for building and retaining a competitive workforce. Your legislation will go a long way to preserving that essential tool.

Much of the recent stock options debate has confused the value of a stock option to the employee with the cost to the corporation for issuing that option. SIIA strongly believes that the public interest will not be served by accounting practice and policy that results in the disclosure of inaccurate corporate financial information and a flawed picture of company performance—this is exactly what would result from mandatory expensing of stock options with existing valuation methods. On the contrary, we believe that investors will be well-served by the increased transparency and enhanced disclosures of employee stock option plans as required by this legislation.

Again, we commend your continued leadership with respect to stock option accounting, and we strongly believe that this legislation will go a long way towards injecting much needed reality into this debate.

Sincerely,

A handwritten signature in black ink that reads "Ken Wasch". The signature is written in a cursive, flowing style.

Ken Wasch
President